

_____ BILL NO. _____

INTRODUCED BY _____
(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A REVENUE STABILIZATION AND DISASTER ACCOUNT IN THE STATE SPECIAL REVENUE FUND TO BE FUNDED THROUGH THE RECEIPTS FROM A GENERAL STATEWIDE SALES AND USE TAX; AMENDING SECTION 15-68-820, MCA; AND PROVIDING A CONTINGENT EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Revenue stabilization and disaster account. (1) There is within the state

special revenue fund a revenue stabilization and disaster account. Except as provided in subsection (4), money in the account may be used only for extraordinary expenses relating to disasters or fiscal emergencies related to unanticipated sales tax revenue shortfalls. To appropriate money in the account, the governor shall declare that either a disaster or fiscal emergency as contemplated by this section exists and the legislature shall pass an implementing appropriation measure by a two-thirds vote of those present and voting in each house.

(2) The revenue stabilization and disaster account must be managed by the department of administration. Interest earned on the account must be retained in the state special revenue account. All general statewide sales and use tax revenue collected in a fiscal year in excess of \$380 million must be deposited in the account.

(3) Except as provided in subsection (4), the revenue stabilization and disaster account is limited to an amount equal to 6% of all general fund appropriations for the biennium, including statutory appropriations of the general fund. The amount in excess of the account limit must be distributed as provided in subsection (4).

(4) (a) If on July 1 the balance in the revenue stabilization and disaster account exceeds the account limit by at least \$15 million, the legislature may transfer an amount not to exceed 20% over the account limit to the state general fund and shall appropriate at least 80% of the amount in excess of the account limit to the department of revenue for distribution as a refund to taxpayers who filed an income tax return for taxes due under 15-30-103 for the sales tax refund tax year. The sales tax refund tax year is the income tax year immediately preceding the previous calendar year. The amount available for refund must be refunded on a pro rata basis to each taxpayer who filed an income tax return, pursuant to 15-30-103, for the sales tax refund tax

1 year. The amount must be calculated by the department of revenue by dividing the amount available for refund
2 by the total individual income tax liability as determined by the department from all returns for the sales tax
3 refund tax year. The department of revenue shall calculate the amount of each taxpayer's refund based on the
4 amount in the "total tax" line of the taxpayer's return. A refund may not be issued if the amount of the refund is
5 \$10 or less. The payments must be mailed no later than December 15 to the most current address for the
6 taxpayer on the department's records.

7 (b) For the purposes of this subsection (4):

8 (i) the term "taxpayer" does not include a fiduciary or a beneficiary of an estate or trust who was
9 required to file an income tax return pursuant to 15-30-135 unless a return was filed on behalf of a decedent;

10 (ii) a return filed using the filing status married filing jointly is considered to have been filed by a single
11 taxpayer.

12 (5) The limit on the revenue stabilization and disaster account in subsection (3) must be multiplied by
13 the inflation factor, as defined in 15-30-101, each year.

14
15 **Section 2.** Section 15-68-820, MCA, is amended to read:

16 **"15-68-820. Sales tax and use tax proceeds.** ~~At~~ Except as provided in [section 1], all money collected
17 under this chapter must be deposited by the department into the general fund."

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19 **NEW SECTION. Section 3. Codification instruction.** [Section 1] is intended to be codified as an
20 integral part of Title 15, chapter 68, part 8, and the provisions of Title 15, chapter 68, part 8, apply to [section 1].

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22 **NEW SECTION. Section 4. Contingent effective date.** [This act] is effective on July 1 of the year
23 following the amendment of Title 15, chapter 68, to impose a general statewide sales and use tax. For purposes
24 of this section, a general statewide sales and use tax means a tax imposed on the sale or use of a majority of
25 goods and services sold in the state.

26 - END -